

## Exhibit 3

**GENERAL RELEASE**

**TO ALL TO WHOM THESE PRESENTS SHALL COME OR MAY CONCERN** **KNOW THAT** for the payment of Ten and No/100 (\$10.00) Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned **SAVOY SENIOR HOUSING CORPORATION, SAVOY LIBERTY VILLAGE, LLC AND JACOB A. FRYDMAN, ("RELEASORS")** hereby release and discharge **AMERICAN HERITAGE COMMUNITIES/LIBERTY VILLAGE, LLC**, a Delaware and Virginia limited liability company, and **AMERICAN HERITAGE COMMUNITIES, INC.**, a Delaware corporation, as well as their employees, parents, divisions, subsidiaries and affiliates and their current and former members and employees, and their respective heirs, executors, administrators, successors and assigns (the "**RELEASEES**") from any and all actions, causes of action, arbitrations, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law, admiralty or equity, which against the **RELEASEES** the **RELEASORS** ever had, now have or hereafter can, shall or may have, for, upon, or by reason of any matter, cause or thing from the beginning of the world to the date of this **RELEASE**. The matters released by the foregoing are hereinafter referred to as "Claims".

The **RELEASORS** acknowledge, represent and warrant that they have had an adequate opportunity to inquire into any and all aspects of the terms of this **RELEASE**, the contents hereof and any Claims released hereunder and have had adequate disclosure of all facts necessary to make a knowing release of all Claims hereby and further represent and warrant that he has executed this **RELEASE** knowingly and without duress.

The **RELEASORS** represent and warrant that Jacob A. Frydman is authorized and has the authority to execute this **RELEASE** on behalf of **RELEASORS** and is authorized to bind **RELEASORS**.

The **RELEASORS** represent and warrant that no other consents are necessary to the **RELEASORS** being bound by the **RELEASE**.

The **RELEASORS** represent and warrant that there has been no assignment or other transfer or grant of any interest in any Claims which the **RELEASORS** may have against the **RELEASEES**.

The **RELEASE** shall be governed by and construed and enforced in accordance with and under the law of the State of New York, without reference to its principles of conflict of laws. The invalidity or nonenforceability of any provision or provisions of this **RELEASE** shall not affect the validity and enforceability of any other provision of this **RELEASE** which shall remain in full force and effect.



STATE OF NEW YORK                    )  
  : ss.:  
COUNTY OF NEW YORK                )

On the 12 day of <sup>July</sup>~~March~~ in the year 2006 before me, the undersigned, **JACOB A. FRYDMAN** individually and as a duly authorized representative of **SAVOY SENIOR HOUSING CORPORATION AND SAVOY LIBERTY VILLAGE, LLC**, and is personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the State of New York, County of New York.

  
Notary Public

MIRIAM LYLE McKIBBEN  
Notary Public, State of New York  
No. 31-4873261  
Qualified in Queens County  
Commission Expires 10/1/2008